

**LAW No. 04/L-018
ON COMPULSORY MOTOR LIABILITY INSURANCE**

Assembly of Republic of Kosovo;

Based on Article 65, paragraph (1) of the Constitution of the Republic of Kosovo hereby,

Adopts

LAW ON COMPULSORY MOTOR LIABILITY INSURANCE

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Scope**

1. This Law shall regulate the Motor Liability Insurance for damages caused to the third parties, which is established as a compulsory insurance under this Law.
2. Other types of compulsory insurances shall be regulated by a special law.
3. Provisions of this Law shall not apply to a special category of Kosovo Security Force (KSF) motor vehicles, which will be established by instructions issued by relevant Ministries.

**Article 2
Definitions**

1. Terms used in this Law shall have the following meaning:
 - 1.1. **CBK** - Central Bank of the Republic of Kosovo;
 - 1.2. **Insurance** - motor liability insurance;
 - 1.3. **Motor vehicle** - the mechanical-propelled motor vehicle that runs on road, but not on trails, trailer and half-trailer, hooked or not hooked to the towing motor vehicle, for which it is foreseen to be registered and supplied with registration documentation;
 - 1.4. **Motor vehicle owner** - the person who is registered in Kosovo motor vehicle register as the owner of a motor vehicle and holder of motor vehicle registration plates;
 - 1.5. **Motor vehicle driver**- the person who drives a motor vehicle;
 - 1.6. **Unauthorized driver**- the person who at the time of the accident was found driving a motor vehicle without the motor vehicle owner's authorization;
 - 1.7. **Motor vehicle possessor**- the natural or legal person, who, upon the owner's authorization possesses or drives the motor vehicle;
 - 1.8. **Third party**- the person entitled to compensation pursuant to provisions of this Law, to whom incurred the damage or the injury from the motor vehicle;

- 1.9. **Insurer**- the insurance company licensed by the CBK to exercise activities of compulsory motor liability insurance.
- 1.10. **Insured case**- an event, which following its occurrence, results in compensation right for the damage caused when driving a motor vehicle;
- 1.11. **The insured**- the person, whose property interests is insured in case of liability from possessing and driving a motor vehicle;
- 1.12. **Minimal insurance amount**- the insurance amount established as compulsory under this Law for contracting the motor liability insurance, which represents the maximum insurer's liability for compensation of an insured case, if it is not contracted otherwise;
- 1.13. **Insurance Premium**- the price for underwriting coverage established under the insurance policy;
- 1.14. **Passenger**- the person traveling or being in a motor vehicle, but who is not driving the motor vehicle;
- 1.15. **Bureau Council**- the organization which is responsible for management and functioning of International Motor Insurance Card System, that all national insurance bureaus are obligated to join it;
- 1.16. **Green Insurance Card** - an international motor liability insurance certificate which shall be issued by the national insurance bureau, as a proof on the existence of valid motor liability insurance in the territory of member states of International Motor Insurance Card System, issued in accordance with samples approved by the Bureaus Council;
- 1.17. **European accident statement** - the respective form in which the parties shall evidence facts regarding the accident;
- 1.18. **Uninsured motor vehicle**- a motor vehicle, which at the time of the accident has no valid compulsory insurance;
- 1.19. **Unidentified motor vehicle**- a motor vehicle causing an accident and which could not have been identified;
- 1.20. **Crete Agreement**- an agreement governing mutual relations between the national insurance bureaus of the International Motor Insurance Card System member states.
- 1.21. Bureau- Kosovo National Insurance Bureau;
- 1.22. Motor Liability Insurance- the compulsory liability insurance of owner and possessor of motor vehicle for damages caused to the third parties;
- 1.23. Insurance policy- the motor liability insurance contract, respectively the standardized insurance certificate signed by the insurer and the insured with whom it is tried to contract the motor liability insurance;
- 1.24. Bonus-Malus System – the system implemented as corrector of the height of motor liability insurance premium, based on the historic of damages of the insured.

CHAPTER II
COMPULSORY MOTOR THIRD PARTY LIABILITY INSURANCE

Article 3
Subject of Insurance

1. Prior to using a motor vehicle, the registered owner of a motor vehicle shall contract the insurance for covering the liability for damages caused to the third parties in case of death, bodily injuries, affecting health or damaging property.
2. Motor liability insurance contract also covers damages from paragraph 1 of this Article caused to the passengers, including damages to belongings in the motor vehicle and which serve for personal use.
3. In case of damages caused when operating a towing vehicle or towed vehicle, when these vehicles are hooked to each other and consist the integrity or when the accident is caused when the towed vehicle is detached from the towing vehicle, the owners of both vehicles shall be duly liable for damages caused to the third parties. In such cases, the injured party may file a compensation claim to the towing vehicle insurer or to the towed vehicle insurer.
4. Pursuant to paragraph 3 of this Article, the insurer conducting payment for damages to the third parties shall be entitled to reimbursement of the paid amount, costs and the interest rate from the towing vehicle insurer or from the towed vehicle insurer consistent with the loss liability.
5. The motor vehicles of KFOR and with prefix UN, EU, OSCE and CD should have motor liability insurance evidence which is acceptable by the CBK, respectively by the Bureau and which at least provides the insurance coverage defined by this Law.

Article 4
Motor liability insurance policy

1. Insurance policy shall be contracted only by insurers licensed by the CBK.
2. Insurance policy shall be unique all over the territory of the Republic of Kosovo.
3. The content, type, printing, charging and distribution mode of the policy from paragraph 1 of this Article shall be established by the CBK.

Article 5
Validity of policy

1. Insurance policy shall be applicable starting from the exact date and time of its issuance and signing the contract between the insurer and the policy holder, unless another date is otherwise agreed by the parties.
2. Insurance policy shall expire at 24,00hrs of the expiry date provided in the policy, unless otherwise contracted.

Article 6
Ownership transfer

1. If the motor vehicle ownership changes during the period of insurance, the rights and responsibilities deriving from the insurance contract shall be transferred to the new owner and they are valid till the termination of insurance contract, if it has not been contracted otherwise.

2. The new owner, within ten (10) days, is obliged to notify the insurer for the change of motor vehicle ownership and the evidence of this change in the insurance contract.
3. Responsible bodies for registration of motor vehicles shall be obliged to notify the Bureau and Information Centre for the change of motor vehicle ownership within a period of ten (10) calendar days.
4. If the insured person and the new owner of motor vehicle agree that the insurance contract not to be transferred to the new owner, the old owner shall have the right to require the return of proportional part of premium, in case that the damage has not been paid from this contract.

Article 7

Obligation for contracting the insurance

1. The motor vehicle owner shall be obliged to underwrite an insurance contract pursuant to paragraph 1 of Article 3 of this Law.
2. The insurer shall be obliged to underwrite a compulsory insurance contract pursuant to provisions of this Law and the applicable insurance terms and premiums.
3. The insurer shall not reject an application for underwriting an insurance contract once the applicant accepts the terms under which the insurance will be applied by the insurer.
4. Insurance terms shall be an integral part of the insurance contract and shall be provided to the insured party in the course of underwriting the contract.
5. When a motor vehicle is supplied with a registration document, the relevant authority shall issue this document only after the motor insurance liability policy has been presented therein.
6. Prior to its movement in traffic and pending registration documents supply, a motor vehicle shall be subject to underwriting the motor liability insurance.
7. The driver shall be obliged to keep the insurance policy or another document proving the underwritten motor liability insurance, and present it any time when requested by the official person.
8. In case of accident, the driver shall be obliged to give his or her personal data and other data related to the underwritten motor liability insurance of all persons involved in accident, who may be entitled to compensation based on this insurance.
9. If the driver fails to provide a document proving that the motor vehicle was appropriately insured, the traffic police or another officer delegated by the police shall contact the Information Center to verify whether the motor vehicle is insured and if it is verified that the motor vehicle was not appropriately insured, they will prohibit further use of the motor vehicle.

Article 8

Compulsory insurance terms and premium

1. CBK has an authority to adopt rules establishing the premium structure that needs to be applied in setting the insurance premium. These rules may define the exact premium structure, the nominal or maximal fee or a limit within which the premium should be sold.
2. The insurer shall notify the CBK, no later than 60 (sixty) days prior to application, of the insurance terms and the technical grounds used therein for accounting of the premium.
3. The bonus-malus system must be incorporated in accounting of motor liability insurance premium.

4. Where CBK finds that the insurance terms and the technical grounds are in compliance with the law, sub-legal acts and the actuary principles, the CBK shall notify, within 30 (thirty) days, the insurer of their implementation. If the CBK fails to reply regarding the notification within 30 (thirty) days, the insurance terms and fees shall be considered adopted.

5. Where the CBK finds that the premium terms and the technical grounds are not in compliance with law, the CBK shall request from the insurer to amend them.

Article 9 Underwriting coverage

1. Motor liability insurance shall cover:

1.1. Injuries and property damages caused to the third parties from operating the motor vehicle;

1.2. Damages caused from operating the motor vehicle, shall include also damage caused to third parties through the belongings falling from motor vehicles or anything else that is hooked to motor vehicle;

1.3. Damages caused from operating the motor vehicle caused to third parties by the unauthorized driver of motor vehicle.

2. This insurance shall not include damages in belongings that are being transported, except if they serve for personal use of passengers.

Article 10 The right to compensation

The compensation of material and non-material damage shall be done in compliance with the provisions of the Law on Obligatory Relations.

Article 11 Exclusion from underwriting coverage

1. With the motor liability insurance shall not be offered an underwriting coverage and the right to compensation shall not apply to:

1.1. driver of motor vehicle who is responsible for the accident;

1.2. the owner, co-owner and any other user of a motor vehicle causing the accident, for damages in belongings;

1.3. fellow traveler that happened to be on his own will in the motor vehicle with the operation of which the damage has been caused, when the insurer finds out that the fellow traveler was aware that the motor vehicle was stolen or burgled;

1.4. Fellow traveler that happened to be on his own will in an uninsured motor vehicle causing the accident, when it is found out that the fellow traveler was aware of such circumstance.

1.5. A person injured due to:

1.5.1. driving a motor vehicle during sports manifestations in such roads or parts of the roads prohibited to be used by other drivers, with purpose of reaching the maximum speed or training for racing;

1.5.2. atomic energy activity during the transportation of radioactive materials;

1.5.3. combating operations or maneuvers, riots or other terrorist acts, if it found that the damage is in causal relations to such events;

1.5.4. force majeure activity and other cases, disclaiming by law the liability for the damage caused by the motor vehicle.

Article 12

Requests of the regress of funds of health, pension and invalid insurance

1. Funds of health, pension and invalid insurances shall have the right, regarding the obligations fulfilled towards their insurers, to submit regress requests from the base of motor liability insurance on the reimbursement of the real damage, within the limits of the insured upon the contract, after they have been paid.

2. The real damage from paragraph 1 of this Article, shall be considered the expenditures of medical treatment as well as the proportional part of the pension of the injured, respectively his family.

Article 13

Underwriting coverage limitation – insurance limits

1. Obligation of the insurer from the contract of motor liability insurance is limited to the compulsory amount of insurance valid according to the Law, at the day when the accident incurred, unless a higher amount of insurance has been contracted.

2. The minimal compulsory insurance amount for contracting the motor liability insurance, according to paragraph 1 of this Law, shall be as following:

2.1. For damages in persons, in insured case, regardless of the number of damaged persons, one million (1.000.000) €;

2.2. For damages in property, in insured case, regardless of the number of damaged persons, two hundred thousand (200.000) €;

2.3. For damages caused when operating the bus and motor vehicles destined to transport hazardous materials, there shall be applied the double of minimal insurance amounts defined in sub-paragraphs 2.1 and 2.2 of this paragraph.

3. In case that there are some parties damaged from an event and the total amount of the damage exceeds the insurance amount defined in paragraph 2 of this Article, the rights of the damaged parties towards the insurer shall be decreased in proportional manner.

4. Decision on changing the height of minimal insurance amounts shall be approved by the Government of Republic of Kosovo, with the proposal of CBK. This change of amounts shall be published in official gazette of Kosovo.

5. CBK shall determine, for the insurer, the frame of contracting the underwriting coverage on minimal insurance amount.

Article 14

Loss of underwriting coverage

1. The insured may lose his or her underwriting coverage, if:

- 1.1. the motor vehicle is not being used according to its destination;
- 1.2. the driver is not in possession of a valid adequate driver's permit to drive a motor vehicle, except cases when a motor vehicle is operated for training purposes by an applicant for driver's license, in accordance with all rules established for training process purposes;
- 1.3. the motor vehicle is driven under the influence of alcohol above the tolerable limits, under the influence of narcotic and psycho-active substances;
- 1.4. the driver causes knowingly the damage;
- 1.5. the accident is caused due to the vehicle technical breakdowns for which the driver, possessor or owner have been aware of.

2. Loss of insurance rights provided for in provisions of paragraph 1, sub-paragraphs 1.1 to 1.5 of this Article, shall not affect the third party's right to compensation.

3. The insurer upon the fulfillment of obligation from this Article and paragraph 3 of Article 9 of this Law, shall have the right to require the reimbursement in regress procedure towards the responsible person for the paid compensation, even that the person did not have underwriting coverage.

Article 15 **Territorial insurance coverage**

1. The compulsory motor vehicle liability insurance contract shall cover damages caused in the Republic of Kosovo.

2. Motor vehicle liability insurance, shall also cover, in addition to damages caused in the Republic of Kosovo, damages caused in territories of the Green Card System member states, unless otherwise contracted.

Article 16 **Motor vehicles insured outside Kosovo**

1. Any person entering in the territory of the Republic of Kosovo by a motor vehicle registered outside Kosovo shall be supplied with:

- 1.1. a green card valid for the territory of Republic of Kosovo, or
- 1.2. any other valid insurance document that guarantees motor liability insurance coverage, at least in the amounts defined in Article 13 of this Law.

2. The insurance document established under paragraph 1 of this Article shall be required for motor vehicle which have been transferred to Kosovo and which are not passing (transit) to another country.

3. Relevant border control authorities shall be responsible to supervise the compliance with requirements set forth in this Article.

4. The Bureau shall be responsible for recognition of international documents validity pursuant to paragraphs 1 of this Article, which will thereafter inform the relevant border control authorities.

Article 17 **Border motor liability insurance**

1. A driver of a motor vehicle having foreign registration plates, who has no valid international motor liability insurance document from paragraph 1 of Article 16 of this Law shall be obliged to underwrite a border motor liability insurance contract valid in the territory of the Republic of Kosovo for a validity period of no less than 15 (fifteen) days.

2. The Bureau shall be competent to conduct and implement the border motor liability insurance system.

3. If the motor vehicle driver fails to contract border insurance, pursuant to paragraph 1 of this Article shall not be permitted to enter the territory of the Republic of Kosovo by motor vehicle without complying with this requirement.

4. Pursuant to paragraph 1 of this Article, persons authorized to control the border of the Republic of Kosovo shall take care of compliance with requirements by the drivers of motor vehicles with foreign license plates.

Article 18

Compensation from operating an uninsured motor vehicle

1. A person to whom the damage was caused within the territory of the Republic of Kosovo by a motor vehicle, the owner of which has no motor liability insurance coverage, shall be entitled to compensation claim from the Bureau.

2. Where the damage was caused by a motor vehicle from paragraph 1 of this Article, the Bureau shall be bound to liabilities within limits provided in definitions of Article 13 of this Law.

3. The Bureau may delegate processing and payment of these damages to one of its subsidiaries or to a specialized damage processing entity licensed by the CBK, which shall be obliged to process and pay the damage from the compensation fund resources.

4. The Bureau shall be entitled to a regress from the liable person for these damages, including the paid amount, costs and interest rates.

Article 19

Compensation from the uninsured motor vehicle with foreign license plates

1. Pursuant to Article 16 of this Law, the damaged party to whom the damage was caused within the territory of the Republic of Kosovo by a motor vehicle with foreign license plates supplied with an international insurance document shall be entitled to file a compensation claim to the Bureau.

2. Where the damage was caused from operating a motor vehicle from paragraph 1 of this Article, the Bureau shall be bound the liabilities to the amount of insurance established under Article 13 of this Law.

3. Where a higher motor liability insurance coverage has been contracted for a motor vehicle with foreign license plates, the Bureau shall be bound to liabilities under the contracted insurance fee, following the previous consent by the insurer.

4. The Bureau may delegate the payment processing for these damages to one of its subsidiaries or to a specialized damage processing entity licensed by the CBK, which shall be obliged to process the compensation claims in accordance with the international motor liability insurance agreements.

Article 20

Compensation from operating unidentified vehicles

1. A natural person to whom the damage is caused from operating an unidentified motor vehicle shall be entitled to file a compensation claim to the Bureau.
2. A natural person to whom the damage is caused shall be entitled to compensation for damages incurred as a result of death, bodily injuries or deterioration of health condition by the amount established under Article 13 of this Law.
3. The injured party shall be entitled to compensation claim for damages caused to belongings, excluding damages to motor vehicles, caused from operating an unidentified motor vehicle by the amount established under Article 13 of this Law.
4. The injured party shall be obliged to report to the Traffic Police the damages caused by the unidentified motor vehicle, within 7 (seven) days when the damage has been caused to the property and within 30 (thirty) days from the accident day when the damage has been caused to persons. The injured party shall also be obliged to report the case to the Bureau within 90 (ninety) days.
5. In case of a later identification of the vehicle causing the accident, or the liable insurer, the Bureau shall be entitled to regress from the liable person or from the liable insurer by the amount paid for the damage, costs and interest rates.

Article 21

Compensation in case of liquidation of bankruptcy of the insurer

1. Upon the initiation of liquidation procedure, the injured party shall have the right to compensation claim to the Liquidator appointed by the CBK. Upon the conclusion of liquidation and bankruptcy procedure, based on a final decision issued by the competent authority, the unprocessed and pending claims with the liquidation committee shall be automatically transferred to the Bureau. No statutory limitation shall apply to these claims during the liquidation and bankruptcy procedure.
2. The injured party shall be entitled to compensation by the amount established under Article 13 of this Law.

Article 22

Compensation based on border insurance

1. The injured person to whom the damage is caused from operating motor vehicles with foreign license plates, supplied with border insurance as established under paragraph 1 of Article 19 of this Law, shall be entitled to file a compensation claim to the Bureau.
2. The right to compensation based on border insurance shall be established in view of insurance fees from Article 13 of this Law.

Article 23

Accident forms and reports

1. Persons involved in a traffic accident, in addition to the accident report prepared by the Traffic Police, shall have to fill in, sign and exchange the "European Accident Statement" form. This form duly filled in and signed shall serve as a proof of accident when filing a compensation claim and reporting the case by the insured.
2. The insurer shall, when underwriting the motor liability insurance, be obliged to provide the "European Accident Statement" form together with the insurance policy. The motor vehicle driver shall be obliged to keep the form from paragraph 1 of this Article with him or her and exchange it with other persons involved in accident.

Article 24
Obligation for providing the data and documents

The authorized bodies for monitoring the traffic, judicial bodies and other bodies or institutions, that apply the procedures after a traffic accident or have available data on accident and the persons involved in the accident, are obliged to act according to the requirements of insurance companies and Bureau, in relation to the delivery of data and respective documents on the traffic accident and the persons involved in the accident, such data and documents necessary for treating the claims for compensation.

Article 25
The right to file compensation claim

1. The injured party shall have the right to file compensation claim based on motor liability directly to the liable insurer. The insurer shall be obliged to record the compensation claim on the same day of its receipt in a special damage book/evidence in numerical order, and confirm the receipt within three (3) days by notifying the party of the evidenced reference claim.

2. With reference to the filed compensation claim, the liable insurer cannot raise objections, which, pursuant to law or the insurance contract, the insurer can raise against the insured due to violation of law or insurance contract.

3. The insured may also reach an agreement according to which the compensation claim based on motor liability insurance can be filed and processed by the direct insurer.

Article 26
Compensation claims procedure

1. The insurer shall be obliged to process, for damages to persons latest within a period of 60 (sixty) days, while for damages to property within a period of 15 (fifteen) days from the day of submission of the compensation claim, the claim shall be processed and the injured party shall be notified in writing of:

1.1. compensation offer with relevant explanations,

1.2. decision and legal reasons for rejecting the compensation claim, when the liability and the damage degree are disputable.

2. If the submitted claim is not completed by evidence and documentation necessary to render a decision on compensation, the insurer shall be obliged, latest within a period of 3 (three) days from the date of the receipt of compensation claim, to notify the injured party in writing, indicating the evidence and documentation required to supplement the claim. Time limits from paragraph 1 of this Article on insurer's obligation to process the compensation claims shall apply as of the day of receipt or the completion of claim documentation, respectively.

3. CBK will issue sub-legal act to establish the compensation procedure, including such determination when a claim is considered completed by evidence and documentation necessary to render a decision on compensation.

4. Being unable to establish the damage, or to have the compensation claim fully processed respectively, the liable insurer shall be obliged to pay to the injured party the undisputable share of damage as an advance payment, within the time limit set out in paragraph 1 of this Article.

5. If the liable insurer fails to reply to the injured party within the time limits established under paragraph 1 of this Article, the injured party shall have the right to file a lawsuit to the competent Court.

6. In the event of noncompliance with time limits established under paragraph 1 of this Article, and non-fulfillment of obligation in advance payment from paragraph 4 of this Article, the liable insurer shall be held responsible for the delay in fulfilling the compensation obligations, hence charging the insurer with an interest rate for the delay. This interest rate shall be paid at twelve percent (12 %) of the annual interest rate and shall be counted for each delay day until the compensation is paid off by the liable insurer, starting from the date of submission of compensation claim.

7. Provisions from paragraph 1, 2, 4 and 5 of this Article shall respectively apply in cases of compensation claims processing which shall bind the Bureau to damages based on border insurance and the Compensation Fund liabilities.

8. Special procedures and time limits under the Crete Agreement shall apply to compensation claims from the International Motor Insurance Card system.

Article 27 **Compensation claims processing**

1. CBK issues a Regulation on procedures for compensation claims processing related to motor liability insurance, the provisions of which shall be mandatory to the insurer.

2. CBK shall supervise the procedure flow related to the compensation claims processing by the insurer in order to guarantee protection of the injured party and the insured.

3. CBK undertake administrative measures against an insurer for violation of provisions of this Article, as follows:

3.1. announce through media, on insurer's expenses, the information regarding the misconduct by the liable insurer regarding compensation claims processing,

3.2. withdraw temporarily the approval for members of the insurer's managing bodies; or eventually withdraw the license for exercising business activities in the area of compulsory insurance.

Article 28 **Implementation of this Law in relation to other laws**

1. Provisions of Articles 26 and 27 of this Law shall also apply in compensation cases when the Bureau is bound to liability which has to be paid by the Compensation Fund.

2. The legislation governing contracts and torts and the insurance contract shall apply to fulfill the compensation obligations and the insurance contract related to damage caused therein, unless otherwise provided for by this Law.

CHAPTER III **KOSOVO INSURANCE BUREAU**

Article 29 **Kosovo Insurance Bureau**

1. Kosovo Insurance Bureau shall be a legal entity established as a nonprofit professional organization. The Government of the Republic of Kosovo shall recognize the status of this institution as a National Insurance Bureau with unlimited powers as a payment and processing

Bureau, which shall ensure compliance with all liabilities deriving from the International Insurance Card system.

2. Only an insurer licensed to provide compulsory insurance services from Article 1 of this Law can be a member of the Bureau. An insurer shall not exercise the compulsory motor liability insurance activities, unless being a member of the Bureau.

3. The initial insurer's membership fee shall be established under the Bureau's statute and shall be subject to a mandatory payment in its favor.

4. The Bureau shall authorize its member to issue a green card only if there is compliance with liabilities under the legal provisions, sub-legal acts and all criteria adopted by the General Assembly in accordance with the Green Card system rules.

5. The Bureau shall serve as a national representative to the Council of Bureau and shall be responsible for all liabilities deriving from membership into the Green Card system.

6. The Bureau shall exercise the Compensation Fund function regarding the payment of damages provided by this Law, with the means from Compensation Fund.

7. The Bureau's organization and functioning is established under its statute. The Bureau's budget shall be approved by the General Assembly in December following a prior approval by the CBK.

8. The Bureau shall be supervised by the CBK, which shall establish the reporting and supervising rules and standards through a special regulation.

9. The Bureau's annual financial statement shall be subject to the legal examination and auditing by a licensing audit company. Auditing terms and criteria used for the insurer's auditing shall apply to the Bureau as well.

10. The Bureau shall submit to the CBK an annual report related to the exercise of public powers for previous year at latest by 30 April of the ongoing year.

11. The Bureau shall be obliged to immediately notify the CBK, when it has become aware of violations by the insurers, as provided by Article 37 of this Law and shall be obliged to provide to the CBK all available information on violations by the insurers.

Article 30 **Managing bodies of the Bureau**

1. The managing bodies of the Bureau shall be:

1.1. General Assembly of the Members;

1.2. Administrative Board;

1.3. Executive Director.

2. The General Assembly shall be composed of representatives from the insurers, members of the Bureau. Each insurer, member of the Bureau, shall be represented by a vote in the Assembly meetings.

3. The Administrative Board of the Bureau shall be composed of six (6) members: four (4) members elected by the General Assembly, the Executive Director of the Bureau as an ex-officio member and one (1) member without the right to vote, elected by the CBK. Election of

Chairperson of the Administrative Board shall be conducted according to procedures established under the Bureau's statute.

4. The Executive Director of the Bureau shall be appointed by the General Assembly, following a prior endorsement by the CBK. The Executive Director shall be appointed for a term of four (4) years, with the right to reappointment for only one additional term.

5. Authorities and duties of the managing bodies of the Bureau as well as the type of their organization shall be established under the Bureau's statute, which shall be adopted by the General Assembly, following a prior approval by the CBK.

Article 31 Green Card Guarantee Fund

1. The Green Card Guarantee Fund shall be managed by the Bureau and its purpose shall be to guarantee the financial liabilities deriving from the membership into the Green Card system and other international agreements in this area.

2. Each Bureau's member, duly authorized to issue a green card or another motor liability insurance certificate with underwriting coverage outside the territory of Kosovo, shall deposit a bank guarantee to a bank identified by the CBK, in favor of the Bureau, at the amount set by the Administrative Board, following a prior approval by the CBK.

3. Contribution of each member of the Green Card Guarantee Fund, time limits for allocation of funds, settlement procedure, and the settlement time limits shall be approved by the CBK each year, following a prior endorsement by the General Assembly of the Members.

4. The Green Card Guarantee Fund shall be used:

4.1. in case of noncompliance with the financial liabilities by a Bureau's member, liable for liabilities payment according to the Green Card system rules;

4.2. to conduct payments for damages sustained outside the territory of the Republic of Kosovo, in case when the damage is caused by a motor vehicle registered in Kosovo and supplied with a false green card or another false insurance certificate, for which the Bureau is liable according to the Green Card system rules or other international agreements in this area; and

4.3. in other cases following a decision issued by the General Assembly of the Members.

5. The Green Card Guarantee Fund shall not be included in the insurer's Guarantee Fund account as provided by the law governing the insurance activities in Kosovo.

CHAPTER IV COMPENSATION FUND

Article 32 Compensation Fund

1. Compensation Fund shall be managed by the Bureau and its purpose shall be the payment for damages in the territory of the Republic of Kosovo pursuant to provisions of Article 18, 19, 20, 21 and 22 of this Law.

2. Insurers exercising compulsory insurance activities in the territory of the Republic of Kosovo shall be obliged to provide financial contributions to the Compensation Fund on quarterly basis, commensurate with their underwritten premiums in this type of insurance during the previous quarter.

3. The other Compensation Fund resources shall be generated from:

3.1. reimbursement collections from regress procedures;

3.2. additional contributions by the insurers, where the projected funds result to be insufficient to conduct the payment according to paragraph 1 of this Article;

3.3. reimbursements from uninsured motor vehicles owners to whom the Compensation Fund paid a compensation;

3.4. revenues from the investment of the Compensation Fund assets;

3.5. other resources, which are not prohibited by law.

4. CBK, following the Bureau's proposition, shall decide each year on the contribution fee pursuant to paragraph 2 and sub-paragraph 3.2 of this Article, and the time limit for allocation of funds.

5. Regress claims for health, invalid and pension insurance cannot be submitted to the Compensation Fund.

6. Foreign citizens shall be entitled to the compensation right for damages paid by the Compensation Fund, unless this right is not granted to Kosovo citizens by a state law referring to the injured party.

7. The Compensation Fund shall be kept separately in the accounts identified by the CBK within the territory of the Republic of Kosovo. The Compensation Fund can be invested in Government's securities and bank deposits.

8. The Bureau shall submit the regulation on management of the Guarantee Fund and the Compensation Fund for approval to the CBK. The CBK issue additional rules on the manner of custody and use of assets covering these funds.

9. The Bureau shall report on quarterly basis to the CBK about the equity balance relating to the Guarantee Fund and the Compensation Fund.

10. The Bureau shall be obliged to immediately inform the CBK, when an insurer violates the provisions of this Law related to the Guarantee Fund and Compensation Fund financial liabilities.

11. If an insurer fails to comply with liabilities to reimburse the funds established under this Law, the CBK shall revoke the insurance company's license for compulsory insurance activities.

Article 33

Statistics and other data

1. Insurers and the Bureau shall be obliged to collect process and maintain statistics and other data on compulsory insurances.

2. Statistics from paragraph 1 of this Article shall include the data which mainly have to do with the insured, motor vehicles, insured cases, injured parties, damages under processing and those being paid.

3. Insurers and the Bureau shall be obliged to process the data from paragraph 1 of this Article according to the statistical standards and in compliance with the Law No. 03/L- 172 on Protection of Personal Data.

4. The Bureau, following the CBK's approval shall establish the content and form of the data from paragraph 1 of this Article, as well as the mode and time limits for their delivery, handling and processing.

CHAPTER V INSURANCE INFORMATION CENTER

Article 34 Insurance Information Center

1. With purpose of providing reliable statistics, standardizing practices, avoiding fraud cases and implementing the compensation procedures to the injured party at due time and amount, the compulsory Insurance Information Center shall be organized within the Bureau, which shall:

1.1. establish an electronic database, storing the data on compulsory motor insurance sent by the insurer;

1.2. collect and maintain the data on motor vehicle registered in the Republic of Kosovo, which shall be made available by relevant authorities by completing these data with information provided pursuant to sub-paragraph 1.1 of this paragraph;

1.3. collect and maintain the data on contracts relating to all types of compulsory insurance, including the green card and border insurance contracts. The data from this paragraph contain the number of border insurance contract, name of insurer, name of the insured, starting and expiry date of the contract, vehicle make, vehicle type and chassis number, vehicle license plates, as well as other data pursuant to the instruction issued by the CBK;

1.4. collect and maintain the data on insurers providing compulsory liability;

1.5. collect and maintain the data on damages relating to all types of compulsory insurance updated on daily basis;

1.6. collect and maintain the data on motor vehicles excluded from motor third party liability insurance, and the data on authorities liable to conduct the payment of damages caused by these motor vehicles.

2. Insurers shall be obliged to provide to the Information Center the data listed in paragraph 1 of this Article referring to any compulsory insurance contract, other than cases otherwise decided by the CBK.

3. The Information Center shall collect, process and maintain these data and shall make them available to authorized persons according to terms and procedures established under this Law and other secondary legal acts. The time period for keeping in custody the data referred to in item 1 of this Article shall be ten (10) years from the conclusion date of the data registration.

4. In case of personal data processing the Law No. 03/L- 172 On Protection of Personal Data shall apply.

5. Insurers shall give financial contributions for the development and functioning of the Information Center.

Article 35
Access to information by the injured party

1. The Insurance Information Center shall enable provision and use of the data collected according to this Law by all injured parties, their representatives as well as other persons having an interest on the data during the compensation procedure. The Center shall provide the following information:

- 1.1. name, head office and address of the liable insurer;
- 1.2. policy number and insurance validity;
- 1.3. name, head office and address of the representative for damages of the liable insurer.

2. The information center shall give the data on identity and address of the motor vehicle owner or driver, when an injured party has a legal interest on it.

3. For the data from paragraph 1 of this Article, which refer to the insurance policies contracted outside the Republic of Kosovo or the motor vehicles registered outside the Republic of Kosovo, the Information Center shall obtain the necessary data from the information centers of the relevant country. Upon the request of the information centers from foreign countries, the Information Center shall be obliged to make the data available, unless cases foreseen differently with particular law.

4. Where the Information Center has no information about identity or address of persons or the name and head office of an insurer, pursuant to provisions of this Article, the Center shall obtain these data through a request addressed to the liable insurer or the competent authorities keeping the information under their custody.

5. After the receipt of information from this Law, the injured party shall have to submit a claim according to the designated form, while the Information Center shall be obliged to release the requested information under its possession no later than 7 (seven) working days from the date of receipt of the claim.

Article 36
Access to information by the insurers, public authorities and the exchange of these data with the Information Center

1. Insurers providing compulsory insurance services shall report on the underwritten contracts therein and those which have expired pursuant to rules and procedure established by the CBK.

2. Authorities responsible for monitoring the traffic, border crossing and customs service shall supply the Information Center with the data envisaged by this Law.

3. The information center shall give to the responsible authorities from paragraph 2 of this Article the updated information on motor vehicles and other transport vehicles, which have no valid insurance or the compulsory insurance contract of which has expired.

4. The responsible authorities from paragraph 2 of this Article shall take measures to immediately prevent the movement of uninsured vehicles.

5. Types, modes and time limits for information exchange and cooperation under this Article shall be established by a sublegal act issue by the competent Ministry and the CBK.

CHAPTER VI

PUNITIVE MEASURES

Article 37

Punitive measures against the insurers

1. CBK shall impose sanctions by punishing an insurer by a fine from five thousand € (5.000) up to ten thousand € (10.000), if the terms established under paragraph 4 of Article 7 of this Law are not made available to contractor and the insured, respectively.

2. In case of violations from paragraph 1 of this Article, the CBK shall impose a fine from one thousand € (1.000) up to three thousand € (3.000) to the Director of the insurer.

3. CBK shall impose a fine from ten thousand € (10.000) up to fifteen thousand € (15.000) on the insurance company, if the insurer:

3.1. applies the insurance terms and premium fees in violation of Article 8 of this Law;

3.2. exercises the compulsory insurance activities without being a member of the Bureau;

3.3. fails to pay contributions designated for the Green Card Guarantee Fund and the Compensation Fund pursuant to Articles 31 and 32 of this Law.

4. CBK shall impose a fine from three thousand € (3.000) up to five thousand € (5.000) on the responsible persons from the insurer in case of violation of paragraph 3 of this Article.

5. CBK shall impose a fine from five thousand € (5.000) up to ten thousand € (10.000) on the insurance company, if the insurer:

5.1. rejects an offer to underwrite an insurance contract in violation of Article 7 of this Law;

5.2. starts to apply the insurance terms and premium fees in violation of Article 8 of this Law;

5.3. fails to provide a justified offer or information to the injured party within the time limits established under Article 26 of this Law;

5.4. fails to pay to the injured party the share of undisputable damage – the advance payment in accordance with paragraph 4 of Article 26 of this Law;

6. If it is established that there have been violations from paragraph 5 of this Article, the CBK shall also impose a fine from five hundred € (500) up to one thousand € (1.000) on the responsible persons from the insurer.

7. CBK shall impose a fine from five thousand € (5.000) up to ten thousand € (10.000) on the insurer, in case of rejection for financial contribution and provision of information set out in provisions of this Law.

8. CBK shall impose a fine from five hundred € (500) up to one thousand € (1.000) on responsible persons from the insurer in case of violation of paragraph 7 of this Article.

Article 38

Punitive measures against the Bureau

1. The CBK may impose a fine from one thousand € (1.000) up to three thousand € (3.000) on the Executive Director of the Bureau, if he or she:

- 1.1. fails to provide a justified offer or information to the injured party within the time limits established under paragraph 1 of Article 26 of this Law, whereby the Bureau shall be obliged to pay for compensation under this Law;
 - 1.2. fails to pay to the injured party the share of undisputable damage or the advance payment respectively in accordance with paragraph 4 of Article 26 of this Law;
 - 1.3. fails to manage and use the Compensation Fund and the Guarantee Fund in the manner established under this Law, regulations or relevant instructions;
2. In the event of violation of paragraph 1 of this Article, the CBK shall also impose a fine from one thousand € (1.000) up to three thousand € (3.000) on other responsible persons from the Bureau.
3. CBK may impose a fine from one thousand € (1.000) up to three thousand € (3.000) on the Executive Director of the Bureau, if he or she:
- 3.1. fails to notify the CBK pursuant to requirements provided set forth in paragraph 10 of the Article 32 of this Law;
 - 3.2. fails to make available to the injured party or to any other party, involved in accident, the available information and fails to enable the use of this information in accordance with provisions of this Law.
4. In case of violations from paragraph 3 of this Article, the CBK shall also impose a fine from five hundred € (500) up to one thousand € (1.000) on the responsible person from the Bureau.

Article 39
Punishments against the motor vehicle owner

1. A natural person shall be punished by a fine of two hundred € (200), while a legal person by a fine of five hundred € (500), if he or she, in the capacity of the vehicle owner, violates provisions of Article 3 and 5 of this Law.
2. Fines from paragraph 1 of this Article shall be imposed by the competent authorities.

Article 40
Punishments against the motor vehicle driver

1. The motor vehicle driver shall be punished by a fine from fifty € (50) up to one hundred € (100), if he or she fails to make available to the official persons the insurance policy or any other document confirming motor liability insurance.
2. If the driver of a motor vehicle with foreign license plates is not supplied with the border insurance policy, he or she shall be punished by a fine of one hundred and fifty € (150).
3. Fines from paragraph 1 and 2 of this Article shall be imposed by the competent authorities.

CHAPTER VII
TRANSITIONAL PROVISIONS

Article 41
Compliance with provisions of this Law

1. The insurer, who exercises compulsory motor liability insurance activities, shall be obliged to harmonize the insurance terms with provisions of this Law, within 3 (three) months from its entry into force.

2. CBK shall supervise the Information Center functioning in compliance with provisions of this Law, and shall ensure the establishment of this Information Center within one (1) year from entry into force of this Law.

Article 42
Issuance of sublegal acts

Following the entry into force of this Law, CBK shall, issue sub-legal acts for implementation of this Law in a period of 3 (three) months.

Article 43
Abrogation

This Law shall, following its entry into force, supersede any provisions of UNMIK Regulation 2001/25 governing the compulsory motor liability insurance and other sub-legal acts issued by the CBK on "Compulsory Motor Third Party Liability Insurance" which are inconsistent with the present Law.

Article 44
Entry into force

This Law shall enter into force fifteen (15) days after publishing it in the Official Gazette of the Republic of Kosovo.

Law No. 04/ L-018
23 June 2011

Promulgated by Decree No.DL-003-2011, dated 05.07.2011, President of the Republic of Kosovo Atifete Jahjaga.